

CONFIDENTIAL

NPIC/TDS/D-777-67  
28 March 1967

MEMORANDUM FOR: Director, National Photographic Interpretation Center

THROUGH : Chief, Support Staff

SUBJECT :

[REDACTED]

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REFERENCE : Chief, Administrative Staff, O/DDI Memorandum dated 4 February 1964 on: "Approval of Research & Development Activities."

1. This request involves utilization of residual FY 1964 & 1965 funds and therefore does not concern current year expenditures. The Budget & Financial Branch of NPIC has affirmed the FY 1964 & 1965 funds will be available for this overrun payment.

2. In 1964, NPIC contracted with [REDACTED] for the production of 3 Chip Comparators. This contract was subsequently amended in 1965 for 2 additional Chip Comparators. This was a Fixed Price Incentive contract with a ceiling of [REDACTED] as amended. The Contract Ceiling Price includes Fixed Price Proprietary Items in the amount of [REDACTED] a Contract Target Cost of [REDACTED] and a Contract Target Profit of [REDACTED]. The Procurement Division negotiated a contract Ceiling Price to limit any possible increase in costs. If the contractor, through an increase in his costs exceeds the negotiated target cost the Government cost shares the costs on a 80/20 basis until the ceiling of [REDACTED] is reached.

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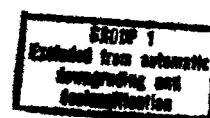
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3. [REDACTED] has submitted a request for an increase in costs in the amount of [REDACTED]. Based on the cost sharing plan, the Government's share of this amount is [REDACTED].

4. The equipment called for under this contract has been fabricated and delivered but rejected due to instability and failure of the interferometers. As a result, [REDACTED] has performed a detailed analysis on the interferometers and has modified one complete system and returned it to

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6. In accordance with the cost sharing clause of the contract, it is requested that the increase in costs of [ ] for the Chip Comparators be approved and charged against FY 1964 & 1965 funds.

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Assistant for Technical Development, NPIC

ARTHUR C. LUNDAHL  
Director, EPIC

Date: \_\_\_\_\_

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1 - NPIC/A/TD  
3 - NPIC/TD/DS

25X1A WPIC/TDS/DS: [REDACTED] (4 Apr. 67)

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